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No. 00-442

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

RIVERWOOD INTERNATIONAL CORPORATION,

Petitioner,

v.

THE MEAD CORPORATION,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

REPLY BRIEF

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REPLY BRIEF

I.

THE PETITION FOR A WRIT OF CERTIORARI SHOULD BE GRANTED BECAUSE EVEN THE RESPONDENT ADMITS THAT THE FEDERAL CIRCUIT FAILED TO FOLLOW THE SUPREME COURT'S INSTRUCTIONS TO *EXPLICITLY* APPLY THE STANDARD OF REVIEW.

In *Dennison Manufacturing Co. v. Panduit Corp.*, 475 U.S. 809 (1986), this Court granted a petition for a writ of certiorari, and vacated the Federal Circuit's decision below because the Federal Circuit failed to *explicitly* apply the clearly erroneous standard of review to findings of fact. In that decision, this Court stated:

> The Federal Circuit, however, did not mention Rule 52(a), did not *explicitly* apply the clearly erroneous standard to any of the District Court's findings on obviousness, and did not explain why, if it was of that view, Rule 52(a) had no applicability to this issue. We therefore lack an adequate explanation of the basis for the Court of Appeals' judgment: . . .

Id. at 811 (emphasis added). The situation presented to this Court in the present case is similar, if not identical, to the scenario presented by *Dennison Manufacturing*: The Federal Circuit has not *explicitly* applied the clearly erroneous standard to the district court's findings on obviousness. Even the Respondent admits that the Federal Circuit has not explicitly applied the clearly erroneous standard to any of

the District Court's findings on obviousness. In its Brief in Opposition, Respondent asserts:

> Because the Federal Circuit's opinion *did not include an express analysis* of Petitioner's unavailing attacks on the findings of fact, Petitioner claims that the court failed to follow the dictates of *Panduit II*.
>
> . . . .
>
> Petitioner seeks review by this Court due to the *absence of an explicit statement* in the Federal Circuit's opinion that the findings of fact below were not clearly erroneous.

Brief in Opposition at 10, 13 (emphasis added). In fact, as admitted by the Respondent, the Federal Circuit's opinion below *does not contain any reference* to the clearly erroneous scope of review for any of the findings of fact. *See Riverwood International Corp. v. The Mead Corp.* 212 F.3d 1365 (Fed. Cir. 2000).

Therefore, the Supreme Court should grant the petition for a writ of certiorari to review, or at least vacate and remand, the decision of the Federal Circuit below because of the failure to *explicitly* apply the clearly erroneous scope of review to the findings of fact underlying the obviousness determination.

II.

THE PETITION FOR A WRIT OF CERTIORARI SHOULD BE GRANTED BECAUSE THE FEDERAL CIRCUIT FAILED TO REVIEW THE UNDERLYING FINDINGS OF FACT DESPITE EXPRESS REQUESTS FROM THE PETITIONER.

The Federal Circuit did nor err solely in failing to set forth in its opinion an explicit application of the clear error scope of review. Rather, the Federal Circuit also failed to actually conduct a review of the findings of fact for clear error as requested by Petitioner.

After the Supreme Court's decision in *Dennison Manufacturing Co. v. Panduit Corp.*, 475 U.S. 809 (1986), the Federal Circuit has *explicitly and expressly* indicated when it was applying the clearly erroneous scope of review. *See, e.g., Robotic Vision Systems Inc. v. View Engineering Inc.*, 189 F.3d 1370, 1376 (Fed. Cir. 1999) ("The underlying factual determinations on which the legal conclusion of non-obviousness is based are reviewed for *clear error*.") (emphasis added); *The Gentry Gallery Inc. v. The Berkline Corp.*, 134 F.3d 1473, 1478 (Fed. Cir. 1998) ("On appeal from a bench trial, we review the legal conclusion of non-obviousness de novo, and the factual inquiries underlying that conclusion for *clear error*.") (emphasis added); *B.F. Goodrich Co. v. Aircraft Braking Systems Corp.*, 72 F.3d 1577, 1582 (Fed. Cir. 1996) ("A determination of obviousness is based on factual inquiries, which we review under the *clearly erroneous* standard.") (emphasis added).

No such explicit application of the clearly erroneous standard of review to the factual findings appears in the

Federal Circuit's opinion below in this case. *See Riverwood International Corp. v. The Mead Corp.* 212 F.3d 1365 (Fed. Cir. 2000). The opinion also does not address any of the challenges, explicitly or implicitly, to the underlying findings of fact raised by Petitioner in its Brief of Appellee.

Moreover, if the Federal Circuit had explicitly set forth the scope of review as required by this Court's decision in *Dennison Manufacturing Co. v. Panduit Corp.*, 475 U.S. 809 (1986), then Respondent would not be forced to make a strained argument in its Brief in Opposition in an attempt to show that the Federal Circuit conducted the review requested by Petitioner. Instead, Respondent would simply cite to language in the Federal Circuit's opinion explicitly indicating the application of the clearly erroneous scope of review. No such citation appears in Respondent's Brief in Opposition.

Instead, Respondent cites to that portion of the Federal Circuit's opinion indicating that its "task is to *examine the findings*. . . ." Brief in Opposition at 13. Of course, this language simply does not *explicitly* indicate that the Federal Circuit applied the clearly erroneous standard of review to the findings of fact underlying the district court's obviousness determination.

Therefore, this Court should grant the petition for a writ of certiorari because the Federal Circuit did not review the underlying findings of fact for clear error as requested by Petitioner and as required by the decisions of this Court.

III.

THE PETITION FOR A WRIT OF CERTIORARI SHOULD BE GRANTED BECAUSE, AS ADMITTED BY THE RESPONDENT, PETITIONER REQUESTED A REVIEW OF THE CLEAR ERRORS IN THE UNDERLYING FINDINGS OF FACT IN BOTH ITS BRIEF OF APPELLEE AND IN ORAL ARGUMENT BEFORE THE FEDERAL CIRCUIT.

Respondent agrees that Petitioner is not required to file a Notice of Appeal to challenge the underlying findings of fact. Brief in Opposition at 7-8. Respondent also admits that "Petitioner did attack the findings of fact on appeal; . . ." *Id.* at 7.[1]

As admitted by the Respondent, the transcript from the oral argument before the Federal Circuit demonstrates unequivocally that Petitioner did in fact request the Federal Circuit to undertake a review of the clear errors in the underlying findings of fact Petitioner asserted both in its brief and at oral argument. As stated by Petitioner at oral argument:

> My understanding is that you do the review de novo, and that in looking at whether or not Judge

---

1. This admission directly contradicts Respondent's assertion, on page 1 of the Brief in Opposition, that: "Petitioner, recognizing the lack of evidentiary support to attack the district court's findings of fact as clearly erroneous, made a strategic decision *not* to rely upon purported clear error in the findings of fact." Brief in Opposition at 1. Also in contradiction, Respondent states: "Petitioner willfully ignores the express indications that the Federal Circuit did consider *Petitioner's challenges to the factual findings*, . . ." *Id.* at 13 (emphasis added).

> Moye was right, I think yes you have to look at those. And we have set forth in our brief where we feel that there is *clear error* in the particular factual findings. The most egregious perhaps is in the commercial success and in the copying.

See 72a of Appendix B to the Brief in Opposition (emphasis added).[2]

Furthermore, Petitioner's Brief of Appellee[3] also unequivocally asserts clear errors in the underlying findings of fact and requested review of those findings in the event the Federal Circuit believed the district court's legal conclusion was incorrect:

> While the ultimate result of the Special Master's error was corrected by the District Court's Judgment, Riverwood [Petitioner] believes that this error may have caused the District Court to improperly discount the substantial evidence of secondary considerations. If this Court decides that the District Court misapplied the clear and convincing standard, then Riverwood [Petitioner] believes that at least the following factual findings should have been made by the Special Master.

See 46a of Appendix A of the Brief in Opposition. Following this statement, Petitioner then set forth, in ten pages of its

2. Interestingly, in its Brief in Opposition, Respondent cites only part of this colloquy between Petitioner and the Federal Circuit and thereby leaves out that part of Petitioner's response unequivocally raising the request for "clear error" review. *See* Brief in Opposition at 14.

3. Reprinted in Appendix A of Respondent's Brief in Opposition.

Brief of Appellee, numerous clear errors in the Special Master's findings of fact, including citations to the record and arguments as to what fact findings should have been made as opposed to the clearly erroneous findings. *See* 47a-56a of Appendix A of the Brief in Opposition. Petitioner also asserted clear errors in the underlying factual findings elsewhere in its Brief of Appellee to the Federal Circuit. *See, e.g.*, 23a, n.13, 28a-29a, 33a-35a, 38a.

Therefore, the petition for a writ of certiorari should be granted because the Federal Circuit did not review the underlying findings of fact for clear error despite being so requested by Petitioner in its Brief of Appellee and during oral argument.

IV.

PETITIONER IS NOT ASSERTING THAT THE FEDERAL CIRCUIT MUST "PUBLISH AN EXPRESS ANALYSIS OF EVERY FACTUAL FINDING" IN APPLYING THE CLEARLY ERRONEOUS STANDARD.

Respondent sets up for easy defeat the imaginary argument that the Petitioner is somehow asserting that *Panduit Corp. v. Dennison Manufacturing Co., (Panduit II)*, 810 F.2d 1561 (Fed. Cir. 1987), *cert denied*, 481 U.S. 1052 (1987) requires the Federal Circuit to "publish an express analysis of every factual finding in determining whether it is clearly erroneous." Brief in Opposition at 11. Respondent provides no citation to the pages of the Petition for a Writ of Certiorari because no such assertion by Petitioner can be found there.

Petitioner *is not* arguing that the Federal Circuit must publish an opinion expressly addressing each and every factual detail set forth by the parties on appeal.

Petitioner *is* arguing that the Federal Circuit failed to conduct *any* analysis of the findings of fact under the "clear error" scope of review, and that the Federal Circuit improperly defined its scope of review by focusing only upon the issues challenged by Respondent while completely ignoring the issues raised by Petitioner.

More specifically, the Federal Circuit has simply ignored Petitioner's assertions of clear error in the underlying findings of fact and issued an opinion that does not provide an analysis of *any* factual finding. Furthermore, in failing to address *in any way or to any extent* Petitioner's assertions of clear error, the Federal Circuit has failed to follow its own precedent in *Panduit II* and the directive of the Supreme Court in *Dennison Manufacturing Co. v. Panduit Corp.*, 475 U.S. 809 (1986) to explicitly apply the standard of review. As a result, the Federal Circuit has excluded Petitioner from any judicial review on the issue of clear errors in the underlying findings of fact.

Thus, contrary to the assertions of Respondent, Petitioner is requesting a writ of certiorari in an effort to finally obtain for the first time a "clear error" review of the findings on obviousness — not to obtain a more complete or detailed review as suggested by Respondent.

CONCLUSION

This Court should grant the petition for a writ of certiorari to review, or at least vacate and remand, the Federal Circuit's decision below.

Respectfully submitted,

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